

AMENDED IN SENATE JANUARY 30, 2003

CALIFORNIA LEGISLATURE—2003–04 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 10

Introduced by Committee on Budget and Fiscal Review

January 27, 2003

An act to amend Section 62.5 of the Labor Code, relating to workers' compensation, ~~and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 10, as amended, Committee on Budget and Fiscal Review. Workers' compensation.

Existing law establishes the Workers' Compensation Administration Revolving Fund, which consists of General Fund appropriations and employer assessments levied based on payroll information. The Department of Industrial Relations is authorized to expend the money in the fund, upon appropriation by the Legislature, for the administration, with some exceptions of the workers' compensation program.

Existing law requires that 80% of these workers' compensation program costs be funded from General Fund appropriations and 20% of the costs from employer assessments.

This bill would require, instead, that 100% of these workers' compensation program costs be supported by employer assessments.

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 62.5 of the Labor Code is amended to read:

62.5. (a) The Workers' Compensation Administration Revolving Fund is hereby created as a special account in the State Treasury. Money in the fund may be expended by the department, upon appropriation by the Legislature, for the administration of the workers' compensation program set forth in this division and Division 4 (commencing with Section 3200), other than the activities financed pursuant to Section 3702.5, and may not be used for any other purpose.

(b) The fund shall consist of assessments made pursuant to this section. One hundred percent of program costs shall be supported by employer assessments.

(c) Assessments shall be levied by the director upon all employers as defined in Section 3300. The total amount of the assessment shall be allocated between self-insured employers and insured employers in proportion to payroll respectively paid in the most recent year for which payroll information is available. The director shall promulgate reasonable rules and regulations governing the manner of collection of the assessment. The rules shall require the assessment to be paid by self-insurers to be expressed as a percentage of indemnity paid during the most recent year for which information is available, and the assessment to be paid by insured employers to be expressed as a percentage of premium. In no event shall the assessment paid by insured employers be considered a premium for computation of a gross premium tax or agents' commission.

~~SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:~~

~~In order to make the necessary statutory changes to implement amendments to the Budget Act of 2002 with respect to the funding of programs relating to workers' compensation, it is necessary that this bill take effect immediately.~~

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